2002 (hereinafter referred to as a "small State"), an SEA may either—

- (1) Allocate concentration grants among eligible LEAs in the State in accordance with §§ 200.72 through 200.74, as applicable; or
- (2) Without regard to the allocations determined by the Secretary—
- (i) Identify those LEAs in which the number or percentage of formula children exceeds the statewide average number or percentage of those children; and
- (ii) Allocate concentration grant funds, consistent with §200.73, among the LEAs identified in paragraph (a)(2)(i) of this section based on the number of formula children in each of those LEAs.
- (b) If the SEA in a small State uses an alternative method under §200.74, the SEA must use the poverty data approved under the alternative method to identify those LEAs with numbers or percentages of formula children that exceed the statewide average number or percentage of those children for the State as a whole.

(Approved by the Office of Management and Budget under control numbers 1810–0620 and 1810–0622)

(Authority: 20 U.S.C. 6334(b)) [67 FR 71733, Dec. 2, 2002]

§200.76 [Reserved]

PROCEDURES FOR THE WITHIN-DISTRICT ALLOCATION OF LEA PROGRAM FUNDS

§ 200.77 Reservation of funds by an LEA.

Before allocating funds in accordance with §200.78, an LEA must reserve funds as are reasonable and necessary to—

- (a) Provide services comparable to those provided to children in participating school attendance areas and schools to serve—
- (1) Homeless children who do not attend participating schools, including providing educationally related support services to children in shelters and other locations where homeless children may live;
- (2) Children in local institutions for neglected children; and
 - (3) If appropriate—

- (i) Children in local institutions for delinquent children; and
- (ii) Neglected and delinquent children in community-day school programs;
- (b) Provide, where appropriate under section 1113(c)(4) of the ESEA, financial incentives and rewards to teachers who serve students in Title I schools identified for school improvement, corrective action, and restructuring for the purpose of attracting and retaining qualified and effective teachers;
- (c) Meet the requirements for choicerelated transportation and supplemental educational services in §200.48, unless the LEA meets these requirements with non-Title I funds;
- (d) Address the professional development needs of instructional staff, including—
- (1) Professional development requirements under §200.52(a)(3)(iii) if the LEA has been identified for improvement or corrective action; and
- (2) Professional development expenditure requirements under § 200.60;
- (e) Meet the requirements for parental involvement in section 1118(a)(3) of the ESEA:
- (f) Administer programs for public and private school children under this part, including special capital expenses, if any, incurred in providing services to eligible private school children, such as—
- (1) The purchase and lease of real and personal property (including mobile educational units and neutral sites);
 - (2) Insurance and maintenance costs;
 - (3) Transportation; and
- (4) Other comparable goods and services, including non-instructional computer technicians; and
- (g) Conduct other authorized activities, such as school improvement and coordinated services.

(Authority: 20 U.S.C. 6313(c)(3) and (4), 6316(b)(10), (c)(7)(iii), 6318(a)(3), 6319(l), 6320, 7279d)

[67 FR 71735, Dec. 2, 2002]

§ 200.78 Allocation of funds to school attendance areas and schools.

(a)(1) An LEA must allocate funds under subpart A of this part to school attendance areas and schools, identified as eligible and selected to participate under section 1113(a) or (b) of the

§ 200.79

ESEA, in rank order on the basis of the total number of children from low-income families in each area or school.

- (2)(i) In calculating the total number of children from low-income families, the LEA must include children from low-income families who attend private schools.
- (ii) To obtain a count of private school children, the LEA may—
- (A) Use the same poverty data the LEA uses to count public school children:
- (B)(1) Use comparable poverty data from a survey of families of private school students that, to the extent possible, protects the families' identity; and
- (2) Extrapolate data from the survey based on a representative sample if complete actual data are unavailable;
- (C) Use comparable poverty data from a different source, such as scholarship applications;
- (D) Apply the low-income percentage of each participating public school attendance area to the number of private school children who reside in that school attendance area; or
- (E) Use an equated measure of low income correlated with the measure of low income used to count public school children.
- (iii) An LEA may count private school children from low-income families every year or every two years.
- (iv) After timely and meaningful consultation in accordance with §200.63, the LEA shall have the final authority in determining the method used to calculate the number of private school children from low-income families;
- (3) If an LEA ranks its school attendance areas and schools by grade span groupings, the LEA may determine the percentage of children from low-income families in the LEA as a whole or for each grade span grouping.
- (b)(1) Except as provided in paragraphs (b)(2) and (d) of this section, an LEA must allocate to each participating school attendance area or school an amount for each low-income child that is at least 125 percent of the per-pupil amount of funds the LEA received for that year under part A, subpart 2 of Title I. The LEA must calculate this per-pupil amount before it reserves funds under §200.77, using the

poverty measure selected by the LEA under section 1113(a)(5) of the ESEA.

- (2) If an LEA is serving only school attendance areas or schools in which the percentage of children from low-income families is 35 percent or more, the LEA is not required to allocate a per-pupil amount of at least 125 percent.
- (c) An LEA is not required to allocate the same per-pupil amount to each participating school attendance area or school provided the LEA allocates higher per-pupil amounts to areas or schools with higher concentrations of poverty than to areas or schools with lower concentrations of poverty.
- (d) An LEA may reduce the amount of funds allocated under this section to a school attendance area or school if the area or school is spending supplemental State or local funds for programs that meet the requirements in §200.79(b).
- (e) If an LEA contains two or more counties in their entirety, the LEA must distribute to schools within each county a share of the LEA's total grant that is no less than the county's share of the child count used to calculate the LEA's grant.

(Authority: 20 U.S.C. 6313(c), 6320(a) and (c)(1), 6333(c)(2))

[67 FR 71735, Dec. 2, 2002]

FISCAL REQUIREMENTS

§ 200.79 Exclusion of supplemental State and local funds from supplement, not supplant and comparability determinations.

- (a) For the purpose of determining compliance with the supplement not supplant requirement in section 1120A(b) and the comparability requirement in section 1120A(c) of the ESEA, a grantee or subgrantee under subpart A of this part may exclude supplemental State and local funds spent in any school attendance area or school for programs that meet the intent and purposes of Title I.
- (b) A program meets the intent and purposes of Title I if the program either
- (1)(i) Is implemented in a school in which the percentage of children from low-income families is at least 40 percent;